

JANUARY 21, 2014

ROLL CALL: MARY BRADLEY, CARL ELLIS, SONNY JONES, KEN KERKHOFF, ANN MILLER AND OWEN ROBERTS WERE PRESENT. ALSO PRESENT WERE MAYOR BRIAN TRAUGOTT AND CITY ATTORNEY BILL MOORE.

DEPT. HEADS: BART MILLER, JIM ODOM, JOHN WILHOIT AND ALLISON WHITE WERE PRESENT REPRESENTING THEIR RESPECTIVE DEPARTMENTS.

MOTION BY JONES, SECONDED BY BRADLEY TO APPROVE AND ADOPT THE JANUARY 7, 2014 MINUTES OF THE REGULAR MEETING OF THE VERSAILLES CITY COUNCIL.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

Mr. Jerry Hensley of Ray, Foley, Hensley and Company presented the City's Fiscal Year End June 30, 2013 audit and financial statements. Mr. Hensley reported that the City has \$74.4 million in assets and \$22.6 million in debt, with a net equity of \$51.8 million. Mr. Hensley noted that Versailles would likely "be at the top of its peer group" in terms of financial stability. Mr. Hensley also presented a power point presentation which compared revenues, assets, expenses for the past four years. Also, Mr. Hensley noted that there were no material misrepresentations or misstatements with the audit.

MOTION BY JONES, SECONDED BY ELLIS TO ACCEPT AND APPROVE THE FISCAL YEAR END JUNE 30, 2013 AUDIT AND FINANCIAL STATEMENTS AS PRESENTED BY RAY, FOLEY, HENSLEY AND COMPANY.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

City Attorney Bill Moore noted that due to inclement weather, Linda Ain was unable to attend, however, Mr. Moore presented the sole bid received by Columbia Gas of Kentucky for the placement of facilities for the transmission, distribution and sale of gas for heating and other purposes within the public rights-of-way of the City of Versailles. Mr. Moore noted that the bid was in line with the previously adopted Ordinance No. 2013-33 which outlined the terms and conditions of City's franchisee requirements and recommended that if it were the Council's desire to accept the bid, the bid was submitted as requested.

MOTION BY KERKHOFF, SECONDED BY JONES TO APPROVE AND ACCEPT THE SOLE BID RECEIVED BY COLUMBIA GAS OF KENTUCKY FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF GAS FOR HEATING AND OTHER PURPOSES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF VERSAILLES FOR AN INITIAL TEN (10) YEAR PERIOD WITH UP TO TWO (2) ADDITIONAL EXTENSIONS OF TIME OF FIVE (5) YEARS EACH IN RETURN FOR PAYMENT TO THE CITY OF VERSAILLES IN THE SUM OF AT LEAST THREE PERCENT (3%) OF EACH FRANCHISEE'S GROSS ANNUAL REVENUES FROM THE SALE, DISTRIBUTION, AND DELIVERY OF GAS WITHIN THE CITY OF VERSAILLES AND AN OPTION TO INCREASE THE FEE TO AN AMOUNT NOT TO EXCEED FIVE PERCENT (5%).

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

At the request of Council member Miller, City Attorney Moore gave first reading of Ordinance No. 2014-2 as follows:

**CITY OF VERSAILLES, KENTUCKY
ORDINANCE 2014-2**

ORDINANCE CONFIRMING THE SALE AND AWARD A NONEXCLUSIVE FRANCHISE TO COLUMBIA GAS OF KENTUCKY, INC. FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF GAS FOR HEATING AND OTHER PURPOSES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF VERSAILLES FOR AN INITIAL TEN (10) YEAR PERIOD WITH UP TO TWO (2) ADDITIONAL EXTENSIONS OF TIME OF FIVE (5) YEARS EACH, IN RETURN FOR PAYMENT TO THE CITY OF VERSAILLES OF THE SUM OF AT LEAST THREE PERCENT (3%) OF EACH FRANCHISEE'S GROSS ANNUAL REVENUES FROM THE SALE, DISTRIBUTION, AND DELIVERY OF GAS WITHIN THE CITY OF VERSAILLES AND AN OPTION TO INCREASE THE FEE TO AN AMOUNT NOT TO EXCEED FIVE PERCENT (5%); ALL EFFECTIVE ON DATE OF PASSAGE.

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WHEREAS, Ordinance 2013-33, adopted by the Versailles City Council on December 3, 2013, provided for the creation and sale of a non-exclusive franchise, for a term of ten (10) years with up to two (2) additional extensions of time of five (5) years each, for the privilege of constructing, operating, maintaining and distributing natural gas along and under public right-of-way within the corporate boundaries of the City of Versailles; and

WHEREAS, Ordinance 2013-33 also established a process by which the successful franchisee would be permitted to excavate within public right-of-way for the purpose of installing and maintaining its gas transmission and distribution lines in order to furnish natural gas to the residents of Versailles, Kentucky; and

WHEREAS, after publication of said advertisement on December 24, 2013, the only bid received by the City Clerk was from Columbia Gas of Kentucky, Inc..

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF VERSAILLES, KENTUCKY, AS FOLLOWS:

Section 1. That the gas franchise created by Ordinance 2013-33 be, and it hereby is, awarded to the highest and best bidder, Columbia Gas of Kentucky, Inc., for the cost of advertising and sale of said gas franchise, plus three percent (3%) of its annual gross revenues, which shall be payable to the City of Versailles, Kentucky, on a monthly basis. However, the City of Versailles, pursuant to Ordinance 2013-33, reserves the right at any time, and upon sixty (60) days written notice, during the effective period of the franchise to be awarded hereby to impose upon Columbia Gas of Kentucky, Inc. a franchise fee in an amount not to exceed five percent (5%).

Section 2. That the Mayor shall be, and hereby is, authorized and directed to execute the Gas Franchise Agreement on terms and conditions established in Ordinance 2013-33, a copy of which agreement is attached hereto and incorporated herein by reference. The effective date of the above Gas Franchise Agreement is March 1, 2014.

Section 3. All prior ordinances, municipal orders, or policies or parts thereof in conflict herewith, are to the extent of such conflict, hereby repealed.

INTRODUCED AND PUBLICLY GIVEN FIRST READING ON THE 21ST DAY OF JANUARY, 2014 AND A GIVEN SECOND READING AND FULLY ADOPTED BY THE VERSAILLES, KENTUCKY CITY COUNCIL ON THE 4TH DAY OF FEBRUARY, 2014.

APPROVED:

BRIAN TRAUGOTT, MAYOR
CITY OF VERSAILLES, KENTUCKY

ATTEST:

ALLISON B. WHITE, CITY CLERK

Mayor Traugott presented his 2013 State of the City address to the Council and presented copies of address to all members of Council. Highlights of his address were that the City has a health general fund balance and overall finances of the City were "extremely strong"; renewal of the police merger contract that saves city taxpayers approximately 4250,000 per year; City had maintained rate of taxation for real property at .056 cents per \$100 assessment for four years and lowered personal property tax rate. Also of note was the purchase of an emergency notification system and the beginning of the sanitary sewer system improvements. The Mayor also noted that the City had renewed the tax increment financing status of the former "Rubloff" property in order to provide an opportunity to recruit businesses and increase tax base within the City. New cemetery rules were also put into place to allow for expressions of sympathy from families without putting personal possessions at risk from lawn care, as well as the approval of a pavilion to be erected at Rose Crest Cemetery. The Mayor also discussed his newly formed Mayor's Task Force on Commercial Retention and Recruitment and the duty of that task force to present recommendations on such things as recruitment of

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commercial enterprises and strategic planning to ensure that downtown thrives of activity and provides our sense of community, including down town beautification. (A complete copy of the State of the City address is available from the City Clerk’s office).

At the request of Council member Bradley, City Attorney Moore gave second reading of Ordinance No. 2014-1 Amending the Development Plan for the Paddocks of Woodford Development Area as follows:

**CITY OF VERSAILLES, KENTUCKY
ORDINANCE NO. 2014-1**

**TITLE: AN ORDINANCE AMENDING THE DEVELOPMENT PLAN FOR THE PADDOCKS
 OF WOODFORD DEVELOPMENT AREA**

WHEREAS, the Versailles City Council has previously adopted Ordinance No. 2010-1 to create a Tax Increment Financing Development Plan for The Paddocks of Woodford pursuant to KRS 65.7041 to KRS 65.7083, and KRS 154.30-010 to KRS 154.30-090; and

WHEREAS, said ordinance and Development Plan adopted a Development Area for the tax increment financing project containing 46.6 acres as further described in said ordinance and Development Plan; and

WHEREAS, the Development Plan adopted a tax increment financing footprint that did not include all of the 46.6 acre Development Area of said project; and

WHEREAS, the Versailles City Council has determined that it is appropriate and advisable to expand the tax increment financing footprint to include the entire 46.6 acre Development Area described in said Development Plan; and

WHEREAS, after published notice in accordance with the applicable law, the Versailles City Council held a public hearing on December 17, 2013 concerning the proposed amendment of the Development Plan of The Paddocks of Woodford to expand the tax increment financing footprint to include the entire 46.6 acre Development Area; and

WHEREAS, no opposition was presented to the proposed amendment at said public hearing.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF VERSAILLES, KENTUCKY as follows:

SECTION 1. The Tax Increment Financing Footprint for The Paddocks of Woodford Tax Increment Financing Development Plan is hereby expanded to include the entire 46.6 acre Development Area of said Plan.

SECTION 2. In all other respects, said Development Plan is hereby ratified and confirmed by the City.

Introduced and given first reading at a meeting of the City Council of the City of Versailles, Kentucky, held on the 7th day of January, 2014, and fully adopted after the second reading at a meeting of said council held on the 21st day of January, 2014.

THE CITY OF VERSAILLES

BRIAN TRAUGOTT, MAYOR

ATTEST:

ALLISON B. WHITE, CITY CLERK

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MOTION BY KERKHOFF, SECONDED BY BRADLEY TO APPROVE AND ADOPT ORDINANCE NO. 2014-1 AN ORDINANCE AMENDING THE DEVELOPMENT PLAN FOR THE PADDOCKS OF WOODFORD DEVELOPMENT AREA.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

Mike Coleman, Chair of the Mayor’s Task Force for Commercial Retention and Recruitment presented an update on the task forces’ subcommittees, which are 1) Downtown beautification/revitalization; 2) Planning and Zoning Ordinances; 3) Lodging and Meeting Facilities; and 4) Alcohol Laws. Mr. Coleman presented the current recommendations and findings of these committees. Also present was Tad Long with the Kentucky League of Cities who presented a proposal and contract to develop a strategic plan for growth and development for the City of Versailles. Mr. Long noted that much of the Mayor’s Task Force recommendations and/or findings could also be used in the League’s services of producing a strategic planning document, which would establish core values of the community (identifying weaknesses and strengths) and devising a project team to implement the strategies identified. Council member Miller noted that the City would need to enter into such a consulting agreement, with a cost of \$10,000.00. City Attorney Moore noted that he had reviewed the proposed Professional Consulting Agreement between the City and Kentucky League of Cities and deemed it to be appropriate for such services.

MOTION BY BRADLEY, SECONDED BY JONES TO ACCEPT AND APPROVE THE PROFESSIONAL CONSULTING AGREEMENT BETWEEN THE CITY OF VERSAILLES AND THE KENTUCKY LEAGUE OF CITIES FOR THE PURPOSE OF DEVELOPING AND ASSISTING WITH IMPLEMENTATION OF A STRATEGIC PLANNING DOCUMENT TO IMPROVE THE QUALITY OF LIFE AND THE ECONOMIC CLIMATE OF THE CITY; WITH A PROPOSED COST OF \$10,000.00 FOR SUCH SERVIES.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

MOTION BY MILLER, SECONDED BY ELLIS TO ENTER INTO EXECUTIVE SESSION TO DISCUSS LITIGATION.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

MOTION BY ELLIS, SECONDED BY ROBERTS TO RETURN TO REGULAR MEETING OF THE COUNCIL AND NOTING THAT NO ACTION WAS TAKEN DURING EXECUTIVE SESSION.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

Public Works Director Bart Miller presented the following bids for hazardous material abatement and demolition of the Versailles Center:

Diversified Demolition	\$268,000.00
H.C.L., Inc.	\$306,780.00
Evans Landscaping, Inc.	\$347,900.00
Superior Demolition, Inc.	\$388,440.00
O’Rourke Wrecking Company	\$555,000.00

MOTION BY JONES, SECONDED BY KERKHOFF TO ACCEPT AND APPROVE THE BID AS PRESENTED BY DIVERSIFIED DEMOLITION IN THE AMOUNT OF \$268,000.00 FOR THE PURPOSE OF HAZARDOUS MATERIAL ABATEMENT AND DEMOLITION OF THE VERSAILLES CENTER.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

Police Chief John Wilhoit requested approval to surplus and advertise for bids on a 2001 Chevrolet Caprice (VIN #3857).

MOTION BY ELLIS, SECONDED BY ROBERTS TO DECLARE 2001 CHEVROLET CAPRICE (VIN #3857) AS SURPLUS PROPERTY AND APPROVE REQUEST TO ADVERTISE FOR BIDS FOR SUCH SURPLUS PROPERTY.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

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Mayor Traugott made a recommendation on behalf of Housing Authority Director James Allen to appointment Susana Martinez to the Housing Authority for a term beginning February 1, 2014 through January 31, 2018.

MOTION BY BRADLEY, SECONDED BY MILLER TO APPROVE APPOINTMENT OF SUSANA MARTINEZ TO THE VERSAILLES HOUSING AUTHORITY FOR A TERM BEGINNING FEBRUARY 1, 2014 THROUGH JANUARY 31, 2018.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

PUBLIC COMMENT

No public comment was received.

DEPARTMENT HEAD/COMMITTEE REPORTS

Bart Miller provided an update on last week’s Boil Water Advisory that had been issued due to an unknown electrical outage at the water plant that shut off the pumps. Mr. Miller noted that a meeting with Kentucky Utilities would be scheduled in the near future to discuss options regarding this issue for the future.

Finance Committee Chairman Kerkhoff informed the Council that the Finance Committee had met with Jerry Hensley of Ray, Foley, Hensley and Company prior to the meeting to conduct the annual audit “exit” interview. Mr. Kerkhoff noted that the audit revealed a change in fund balance going forward due to budgeted operating/capital expenses were under budget. Mr. Kerkhoff also noted that the Finance Committee would be reviewing all Interlocal Agreements soon in order to ease budget planning process when committing to outside agencies.

MOTION BY ELLIS, SECONDED BY ROBERTS TO APPROVE THE GENERAL LEDGER DISTRIBUTION LIST (BILLS) DATED JANUARY 21, 2014 AFTER THEY HAVE BEEN PROPERLY REVIEWED AND APPROVED BY THE APPROPRIATE DEPARTMENT HEAD, MAYOR AND CITY TREASURER.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

MOTION BY JONES, SECONDED BY BRADLEY THAT THE MEETING OF THE CITY COUNCIL ADJOURN.

The vote was as follows: Bradley, Ellis, Jones, Kerkhoff, Miller and Roberts voting aye.

APPROVED:

BRIAN TRAUGOTT, MAYOR

ATTEST:

ALLISON B. WHITE, CITY CLERK